

**IOWA FINANCE AUTHORITY[265]**

**Adopted and Filed Emergency After Notice**

**Rule making related to local housing trust fund allocation plan**

The Iowa Finance Authority hereby amends Chapter 19, “State Housing Trust Fund,” Iowa Administrative Code.

*Legal Authority for Rule Making*

This rule making is adopted under the authority provided in Iowa Code section 16.5.

*State or Federal Law Implemented*

This rule making implements, in whole or in part, Iowa Code section 16.181 and 2021 Iowa Acts, Senate File 619.

*Purpose and Summary*

This rule making updates Chapter 19 to incorporate by reference amendments to the trust fund allocation plan (the “allocation plan”) for the Local Housing Trust Fund Program. 2021 Iowa Acts, Senate File 619, increases the amount of real estate transfer taxes that may be transferred into the State Housing Trust Fund (the “Fund”) from \$3 million to \$7 million. Iowa Code section 16.181 requires that a Local Housing Trust Fund provide a local match that is approved by the Authority, but does not specify the amount of match. The allocation plan currently requires that Local Housing Trust Funds provide a match of 25 percent of the amount requested from the Fund. Awards are made to eligible Local Housing Trust Funds based upon a formula. If the local match requirement were left unchanged, several Local Housing Trust Funds, particularly those serving rural areas, may find it extremely difficult to meet the local match requirement. The Authority is reducing the local match requirement in FY 2022 and plans to gradually step it back up to 25 percent by FY 2025.

The Authority is also adopting amendments to update the Authority’s website address and strike an outdated requirement to deposit program applications and related documents with the Administrative Rules Coordinator and at the State Law Library. The Authority is striking this last requirement because it is not required by statute and does not conform with current program practice.

*Public Comment and Changes to Rule Making*

Notice of Intended Action for this rule making was published in the Iowa Administrative Bulletin on July 28, 2021, as **ARC 5793C**.

The Authority received comments from Local Housing Trust Funds. The comments were supportive of the amendments overall while requesting a further reduction in the local match rate for FY 2022. Local Housing Trust Funds noted that, in many cases, the local match is provided by county governments whose budgets were set prior to the passage of 2021 Iowa Acts, Senate File 619. Consequently, it would be very difficult for the Local Housing Trust Funds to raise the additional local match for this fiscal year. In response, the Authority has lowered the effective local match rate to 15 percent for FY 2022 and will maintain the schedule proposed for state FY 2023 to 2025.

This rule making has been updated from the Notice to identify the date of the Local Housing Trust Fund allocation plan, which is incorporated by reference in Chapter 19. The allocation plan has been updated to reflect a lower effective local match rate for FY 2022. However, this change is not incorporated in this rule making because the plan is incorporated by reference.

### *Reason for Waiver of Normal Effective Date*

Pursuant to Iowa Code section 17A.5(2)“b”(1)(b), the Authority finds that the normal effective date of this rule making, 35 days after publication, should be waived and the rule making made effective on September 13, 2021, because these amendments confer a benefit on the Local Housing Trust Funds that are awarded funds and on the Iowans they serve. These amendments make it more likely that Local Housing Trust Funds will be able to meet the increased local match requirement in the coming years and fully utilize the funding that is available to develop and preserve decent, safe, and affordable housing throughout Iowa.

### *Adoption of Rule Making*

This rule making was adopted by the Authority on September 8, 2021.

### *Fiscal Impact*

This rule making has no fiscal impact to the State of Iowa. 2021 Iowa Acts, Senate File 619, increases by up to \$4 million the amount of real estate transfer taxes transferred into the State Housing Trust Fund.

### *Jobs Impact*

After analysis and review of this rule making, this rule making may have a positive impact on employment in Iowa, creating jobs in the construction industry.

### *Waivers*

Any person who believes that the application of the discretionary provisions of this rule making would result in hardship or injustice to that person may petition the Authority for a waiver of the discretionary provisions, if any, pursuant to 265—Chapter 18.

### *Review by Administrative Rules Review Committee*

The Administrative Rules Review Committee, a bipartisan legislative committee which oversees rule making by executive branch agencies, may, on its own motion or on written request by any individual or group, review this rule making at its [regular monthly meeting](#) or at a special meeting. The Committee's meetings are open to the public, and interested persons may be heard as provided in Iowa Code section 17A.8(6).

### *Effective Date*

This rule making became effective on September 13, 2021.

The following rule-making action is adopted:

Amend **265—Chapter 19** as follows:

### CHAPTER 19 STATE HOUSING TRUST FUND

**265—19.1(16) Trust fund allocation plans.** The trust fund allocation plan entitled Iowa Finance Authority State Housing Trust Fund Allocation Plan for the Local Housing Trust Fund Program dated ~~March 2019~~ September 2021 shall be the allocation plan for the award, pursuant to the local housing trust fund program, of funds held within the state housing trust fund established in Iowa Code section 16.181. The trust fund allocation plan entitled Iowa Finance Authority State Housing Trust Fund Allocation Plan for the Project-Based Housing Program dated June 2009 shall be the allocation plan for the distribution, pursuant to the project-based housing program, of funds held within the state housing trust fund. The trust fund allocation plans for the local housing trust fund program and the project-based housing program include the plans, applications, and application instructions. The trust fund allocation

plans for the local housing trust fund program and the project-based housing program are incorporated by reference pursuant to Iowa Code section 17A.6 and 265—subrules 17.4(2) and 17.12(2).

**265—19.2(16) Location of copies of the plans.** The trust fund allocation plans for the local housing trust fund program and the project-based housing program may be reviewed and copied in their entirety on the authority's ~~Web site~~ website at ~~www.iowafinanceauthority.gov~~ [www.iowafinance.com](http://www.iowafinance.com). Copies of the trust fund allocation plans for the local housing trust fund program and the project-based housing program, ~~the applications, and all related attachments and exhibits, if any,~~ shall be deposited with the administrative rules coordinator and at the state law library. The plans incorporate by reference Iowa Code section 16.181.

These rules are intended to implement Iowa Code ~~Supplement~~ sections 16.5(1)“r” and 16.181.

[Filed Emergency After Notice 9/13/21, effective 9/13/21]

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EDITOR’S NOTE: For replacement pages for IAC, see IAC Supplement 10/6/21.